

PeopleSoft Accounts Receivables Year End Instructions
Two Periods Opened; June / July

Between 07/01/05 and 07/15/05 both the months of June (Period 12 of 2005) and July (Period 1 of 2006) will be open to enter transactions in Accounts Receivable (AR).

During this time period, a determination needs to be made as to when cash is received and whether revenue has been accrued (earned) or deferred (unearned) in order to make the proper transactions in AR.

- ❖ Revenue is earned once the goods or services have been rendered regardless of when it is collected. A receivable needs to be established if cash has not been collected in advance. Once payment is received, apply it to the receivable. Or a direct journal can be created to record miscellaneous cash, such as fees, registration, etc.
- ❖ Revenue is deferred or unearned if cash is received in the period prior to goods or services being rendered. Create a direct journal for cash and record as deferred revenue if this scenario occurs.

How to properly record a transaction during this time frame:

- ❖ The accounting date on items (receivables), payments and direct journals determines which period the entry will post. Users must change the accounting date to a June (06/01/05-06-30/05) date for transactions to post in the month of June (FY05) and use a July (07/01/05-07/31/05) date for transactions to post in the month of July (FY06).
- ❖ To establish an accounts receivable for revenue earned on or before June 30, 2005 enter as a June item from June 1 through July 15, 2005 by using a June accounting date such as 06/30/05 on the item. Select the distribution code for the appropriate period (Ex.: Budget Year 2005 code for FY05).
- ❖ For any cash receipts received on or before June 30, 2005 that apply to an A/R enter as a June payment by using a June accounting date such as 06/30/05. Be particularly careful when applying payments against an item. Any payment against an item must be applied to the item that is associated with the correct distribution code information including budget year.
- ❖ For cash received on or before June 30, 2005 for which no A/R has been established enter a June direct journal through July 15, 2005 by using a June accounting date such as 06/30/05. No receivable is required.
- ❖ To establish an A/R for revenue earned on or after July 1, 2005 set up A/R by entering a July item. Once the July period is open on July 1, the accounting date will default to a July date. Select the distribution code for the appropriate period (Ex.: Budget Year 2006 code for FY06).

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- ❖ Any cash received in July is FY2006 cash and should be entered as a July payment from July 1 through 31. Once the July period is open on July 1, the accounting date will default to a July date. Be particularly careful when applying payments against an item. Any payment against an item must be applied to the item that is associated with the correct distribution code information including budget year.
- ❖ For cash received in July which does not reference an A/R, determine if the revenue belongs to FY2005 or FY2006. For FY2006 enter a July direct journal from July 1 through 31. The accounting date will default to a July date. For FY2005, enter an item with a June accounting date (06/30/05) and a payment with a July accounting date.

INTERFACE FILES: Since the June and July periods will be open, a June date should be attached to the June file and submitted by July 12, 2005 and a July date should be attached to the July file.

DISTRIBUTION CODES: Budget Year 2005 distribution codes will be copied in order to create 2006 budget year distribution codes unless users request not to do so. Business units must identify any new distribution codes that are needed based on new project, program or organization codes for the new budget year 2006 and notify Financial Systems (FS) to enter into the system. This includes ensuring the new chartfields are set up in the proper tables.

Sample Transactions

FY2005 Revenue

Item Entry for June

Go-Manage Sales Activities-Enter Receivables-Use-Online Pending Item Entry
-Group Control-Add

- Change the Accounting Date on Group Control and Online Pending Item Entry panels to 06/30/05 after the July, 2005 period is open.
- The Received and Entered dates may be changed according to the users needs.
- Enter a prior year distribution code.

Item Entry

Dr.	Receivable
Cr	Revenue

FY2005 Cash

Payment Entry for June

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Go-Manage Sales Activities-Apply Payments-Use-Regular Deposit Entry or Express Deposit Entry-Totals-Add

- Change the Accounting Date on the Totals panel to 06/30/05 after the July, 2005 period is open.
- The Received date must be the date of the deposit since this is the deposit date on the Cash Receipts Journal.
- The Payment ID should be the check number or the confirmation number from a wire transfer.

Build Worksheet after Regular Deposit Entry is saved.

- Use-Worksheet Selection: Customer or Reference information should default.

Payment

Dr.	Cash
Cr.	Receivable

FY2005 Cash

Direct Journal (Miscellaneous Deposits) for June

Go-Manage Sales Activities-Apply Payments-Use-Regular Deposit Entry-Totals -Add

- Change the Accounting Date on the Totals panel to 06/30/05 after the July, 2005 period is open.
- The Received date must be the date of the deposit since this is the deposit date on the Cash Receipts Journal.
- The Payment ID should be the check number or the confirmation number from a wire transfer.

Direct Journal

Dr.	Cash
Cr.	Revenue

FY2006 Revenue received in FY2005

Revenue that is deferred (unearned) should be entered as a direct journal as follows:

June Entry:

Dr.	Cash
Cr.	250001 (Deferred Revenue) (Prior Year)

July Entry:

- (a) Enter a negative deposit
- | | |
|-----|--|
| Dr. | 250001 (Deferred Revenue) (Prior Year) |
|-----|--|

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	Cr.	Cash
(b) Re-enter deposit		
Dr.	Cash	
	Cr.	Revenue (Current Year)

FY2006 Revenue after July 1st

Item Entry for July

Go-Manage Sales Activities-Enter Receivables-Use-Online Pending Item Entry
-Group Control-Add

- Let the Accounting Date on Group Control and Online Pending Item Entry panels default to July Date.
- The Received and Entered dates may be changed according to the users needs.
- Enter a prior year distribution code.

Item Entry

Dr.	Receivable
Cr	Revenue

FY2006 Cash after July 1st

Payment Entry for July

Go-Manage Sales Activities-Apply Payments-Use-Regular Deposit Entry or
Express Deposit Entry-Totals-Add

- Let the Accounting Date on the Totals panel default to the July date.
- The Received date must be the date of the deposit since this is the deposit date on the Cash Receipts Journal.
- The Payment ID should be the check number or the confirmation number from a wire transfer.

Build Worksheet after Regular Deposit Entry is saved.

- Use-Worksheet Selection: Customer or Reference information should default.

Payment

Dr.	Cash
Cr.	Receivable

FY2006 Cash after July 1st

Direct Journal (Miscellaneous Deposits) for July

Go-Manage Sales Activities-Apply Payments-Use-Regular Deposit Entry-Totals
-Add

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- Let the Accounting Date on the Totals panel default to the July date.
- The Received date must be the date of the deposit since this is the deposit date on the Cash Receipts Journal.
- The Payment ID should be the check number or the confirmation number from a wire transfer.

Direct Journal

Dr. *Cash*

Cr. *Revenue*